TOTAL QUALITY MANAGEMENT ON ORGANIZATIONAL PERFORMANCE
OF 5-STAR HOTELS IN NAIROBI

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DECLARATION

I hereby declare that this research is my sole effort and that it is original and have never been submitted for examination purposes before.

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D53/NKU/PT/24317/2011

This research project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

This research proposal is dedicated to my parents, brothers and sisters for their much support throughout this academic journey.
ACKNOWLEDGEMENTS

I acknowledge my almighty God, who has seen me through this great journey. I also appreciate the tireless effort of my supervisor Dr. Abel Anyieni guiding me through this study, not forgetting Mr. Joseph Munyange and Mrs. Pauline Mwangi for their encouragement and financial support and also everyone who made it a success for me to complete this proposal.
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## ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CBD:</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CS:</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>CSFs:</td>
<td>Critical Success Factors</td>
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<tr>
<td>ICT:</td>
<td>Integrated Computer Technology</td>
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<tr>
<td>IT:</td>
<td>Information Technology</td>
</tr>
<tr>
<td>KICC:</td>
<td>Kenyatta International Conference Centre</td>
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<tr>
<td>KRAs:</td>
<td>Key Result Areas</td>
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<tr>
<td>MBNQA:</td>
<td>Malcolm Baldrige National Quality Award</td>
</tr>
<tr>
<td>QFD:</td>
<td>Quality Function Deployment</td>
</tr>
<tr>
<td>SPSS:</td>
<td>Social Package for Social Scientists</td>
</tr>
<tr>
<td>TQM:</td>
<td>Total Quality Management</td>
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<td>UNEP:</td>
<td>United Nations Environmental Programme</td>
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OPERATIONAL DEFINITION OF TERMS

Organizational Culture is used in this study to refer to a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.

Performance is the degree to which an organization fulfills its objectives that have been set. The achievement of these objectives is meant to propel the organization towards success.

Rating is used in this study to refer to process of comparing one's business processes and performance metrics to industry bests and best practices from other companies.

Technology is used in this study to refer to collection of techniques, skills, methods and processes used in the production of goods or services or in the accomplishment of objectives.

Top management commitment is used in this study to refer to direct participation by the highest level executives in a specific and critically important aspect or program of an organization. In quality management it includes setting up and serving on a quality committee, formulating and establishing quality policies and objectives, providing resources and training, overseeing implementation at all levels of the organization, and evaluating and revising the policy in light of results achieved.

5-Star Hotels are hotels that offer only the highest level of accommodations and services. The properties offer a high degree of personal service. Although most five star hotels are large properties, sometimes the small independent (non-chain) property offers an elegant intimacy that cannot be achieved in the larger setting. The hotel locations can vary from the very exclusive locations of a suburban area, to the heart of downtown. The hotel lobbies are sumptuous, the rooms complete with stylish furnishing and quality linens. The amenities often include: VCR’s, CD stereos, garden tubs or Jacuzzis, in-room video library, heated pools and more. The hotels feature up to three restaurants all with exquisite menus. Room service is usually available 24 hours a day. Fitness centers and valet and/or garage parking are typically available. A concierge is also available to assist you (Odembo, 2015).
ABSTRACT

Hotel industry business in the past evidence has shown that Total Quality Management programs have failed because the success factors were not in place. In order for hotel business to increase performance, the critical success factors of Total Quality Management should be implemented well. These factors appear to be compatible with successful Total Quality Management implementation programs in the hotel industry. They represent strategic elements, people involvement, emphasis on communication, a focus on the customer, and an awareness of the external market, the need to develop supplier partnerships, measurement and emphasis on developing a culture for quality improvement. The objectives of the study were; establish the influence of top management commitment on performance of 5-star hotels business in Nairobi; determine the effect of rating on performance of 5-star hotels business in Nairobi; evaluate the effect of technology on performance of 5-star hotels business in Nairobi and find out the effect of organizational culture on performance of 5-star hotels business in Nairobi. The study will be of significance to 5 star hotels as it has highlighted the critical success factors that have slowed down Total Quality Management implementation and organizational performance, it will enable the hotels to streamline these factors so as to provide quality services to its clients and thus improve on general performance. The study will be of great significance to hotel investors as knowing merits and demerits of Total Quality Management critical factors will enable them to implement effectively Total Quality Management practices in their endeavors. The study could be limited by lack of information on TQM by the respondents targeted for the study. This study used the Institutional theory developed by Hoffman 2014 and correlation research design was used. The target population was 87 that comprised of management and employees of 5-star hotels in Nairobi Central Business District. The desired sample size was obtained using census and comprised of 87 respondents. The study then employed purposive and stratified sampling to select management staff members and simple random sampling to select employees of the 5-star hotels who participated in the study. Data collection was done by use of semi-structured questionnaires and interview schedules. Secondary data was obtained from documented sources in the form of previous researches done elsewhere but of similar nature. Data was analyzed using descriptive and inferential statistics and presented using tables and frequencies.
CHAPTER ONE

1.1 Background of the Study

Slack et al. (2014) define performance as the degree to which an operation fulfills the performance objectives the primary measures in order to meet the needs of the customers -the secondary measures. Performance measurement is a critical factor underlying effective management. As it is argued by Demirbag (2014) without measuring something, it is difficult to improve it. Improving performance thus requires identifying and measuring the influence of TQM practices hereon. While financial performance previously has been seen by many as the ultimate aim of any organization, other non-financial indicators may be equally important in implementing TQM principles, as they may have a mediating effect on organizational performance (Demirbag, 2014). Employing both financial as well as non-financial performance measures furthermore follows the work of Riketta (2012) who emphasized the need to overcome potential shortcomings of traditional performance measurement systems, employing only financial measures. Revisiting the literature, it becomes evident that the most commonly used methods for measuring organizational performance may roughly be placed within operational, financial and non-financial performance.

Operational performance concerns the internal operations of the organizations; financial performance comprises financial measures whereas non-financial performance includes elements such as competitive profile and successful product development. Kuia et al (2011) highlight performance measurement as one of the tools which helps firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication and strengthening accountability in the hotel industry.
Globally, studies have been conducted in different hotels to determine the effect of critical success factors for TQM to more successful. In this, eight critical success factors of quality management are identified, among these the role of management leadership and management engagement in quality performance. Nahzad et al. (2012) and Powell (2013) likewise argued for the necessity of Top management commitment, as top management has a large influence on the overall attitude and strategic direction of the organization. A general consensus appeared to be prevailing - top management commitment to quality must be verified and demonstrated, by actively communicating the mission and vision throughout the entire organization (Demirbag, 2014). This, among other aspects, implies that managers ought to focus on aligning the quality objectives with the vision, commence quality as a corporate culture and create a culture in which continuous improvements are supported and reluctance towards change is minimized. Establishing a quality culture in alignment with the overall business strategy is thus essential for the success of the organization. Vision and mission statements have to be operationalized into daily activities that must be carried out.

In Africa, there have been attempts to examine relationships between critical success factors of TQM and performance indicators of hotels. Quality advocates have identified several critical principles for successful TQM practices Nahzad et al, (2014). This report recognizes the critical factors of TQM critical success factors and highlights the approaches of quality improvement strategies for an efficient and effective implementation of TQM in business, manufacturing and service sector. The critical factors of TQM variables investigated in this research are training (quality related), quality measurement, human resource management, rating, customer focus, employee focus, communication process, Leadership, integration, product design. The study further observed that implementation of TQM leads to enhanced performance like improved business, industrial growth, quality products and services, financial performance, innovative performance, education and above all customer satisfaction.
A comprehensive understanding of TQM critical success, its uses and present detailed guidelines and explanations of effective implementation of TQM for the betterment of the hotel sector in Africa. The implementations of critical success factors have lead hotels in Africa towards excellent performance and competitiveness. The performance of organizations is measured against global standards and benchmarks. The key to performance parameters include systems thinking, competitiveness, standards and continuous improvement through the critical success factors of TQM.

In Kenya, hotel industry is faced with many challenges; the hotel management continuously develops strategies of gaining competitive advantage (Kuria 2012). The use of TQM approach has failed and they are forced to employ the critical success factors for successful hotel business on TQM. Critical success factors include rating, technology, culture and top management commitment (Johanna, 2014). The issues of measurement and process improvement have been largely neglected. Over the last decade, a significant number of hospitality companies have embraced the concepts of critical success factors for TQM (Jurran, 2012), as service expectation of customers and potential customers have escalated. Hotels have found the implementation of quality processes to be a vital competitive component (Jurran, 2012). Critical success factors for TQM has been evolving in the hotel business since it was introduced in 2012s, however many hotels are still struggling to reach a real understanding of what is meant by total quality management (Riketta, 2012). This factors help in achieving financial and market objectives, and solving accumulated and repeated complaints by both clients and employees in the hotel business. The hotel industry has hit hard by the recent post-election violence as well as terrorism attacks (Kuria 2012). Many hotels have been closed and this has caused staff to be laid off. Hotels in Kenya are classified in star-rating system that includes 5-star the higher luxury, 4 –star hotels, 3-star hotels, 2-star...
hotels and 1-star hotels. Critical success factors determine the conditions by which hotels will be accountable (Obonyo, 2013).

According to Nyaoga (2014) critical success play an important role in improving the hotel performance, currently every country tends to have its own rules and requirements for determining hotel classifications in spite of the recognized body. Similarly, Kenyan hotels have become more complex to manage because of the demands of the dynamic business environment. Hotels are finding it difficult to meet the challenge of customer demands as well as complicated service technologies and production processes. Kamau (2014) states that the tourism sectors under which hotels are found in Kenya has been facing numerous challenges which have posed a threat to their existence. These challenges include competition, socio-cultural changes, technological changes and economic challenges. The key to performance parameters include systems thinking, competitiveness, standards and continuous improvement through the success factors of TQM.

When discussing this relationship, Kellen (2012) and Flanagan (2013) argue that critical success factors need to be identified in order to provide focus for performance management and measurement. Haktanir & Harris (2013) support their views and have highlighted the discernible link between TQM critical success factors, industry context and performance measurement. TQM Critical success factors emerge from a number of aspects of the organization’s operating context, such as its competitive strategy stage of the product life cycle, culture, values and beliefs (Wang et al, 2012), cost structure, management style, location, position, competitor activity, financial strength (Flanagan, 2013).

1.1.1 Total Quality Management Critical Success Factors

There are a number of critical success factors, which appear common to most hospitality organizations, such as a customer focus, staff, quality of service and profitability. A good number of independent and chain hotels have opted for a Balanced Scorecard (BSC)
approach or its adaptation. In the basic BSC model, a number of objectives (alternatively known as key result areas or critical success factors) are grouped into four major dimensions, i.e., the customer dimension (market share, customer satisfaction measures, customer loyalty), the employee dimension (morale, knowledge, turnover, use of best demonstrated practices), the internal process dimension (productivity rates, quality measures, timeliness), and the financial dimension (revenues, earnings, return on capital, cash flow) (Nyaoga, 2014). All four dimensions are perceived to be equally important or balanced. Within each dimension, a limited number of objectives/key result areas (KRAs) are also deemed to be all equally important or balanced. Alternatively known as key result areas or critical success factors) are grouped into four major dimensions, i.e., the customer dimension (market share, customer satisfaction measures, customer loyalty), the employee dimension (morale, knowledge, turnover, use of best demonstrated practices), the internal process dimension (productivity rates, quality measures, timeliness), and the financial dimension (revenues, earnings, return on capital, cash flow) (Juran, 2014). All four dimensions are perceived to be equally important or balanced. Within each dimension, a limited number of objectives/key result areas (KRAs) are also deemed to be all equally important or balanced.

1.1.2 Performance

Performance is a complex and dynamic concept which has been conceptualized in two ways namely the drivers of performance and the results of performance (Obonyo, 2013). Hotel performance is concerned with the overall productivity in an organization in terms of stock turnover, customers, profitability and market share. Competition in the global economy has intensified the importance of identifying the drivers of sustainable performance. The search for such drivers is no longer restricted to tangible factors but has expanded to include intangibles. Performance may be measured by both quantitative and qualitative methods. Zukan et al (2012) stated that non-financial measures are better performance indicators in the
service industry than financial measures. This is because non-financial measures are better measures of value and motivation which complement short-run financial figures as indicators of long-term goals.

Performance is regarded as an output which is aligned to objectives or simply profitability and is explained in terms of expected behavioral output and also results. Kuei (2012) asserts that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of hotel success and sustainability because it is the reason for the existence of firms. The financial success of an organization is a measure of a firm’s performance because it depicts the ability of an organization to operate above all its costs. Moona & Kasongo (2014) claimed that a firm’s performance should not be measured by financial performance but also operational and market indicators. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Isaac, 2012). This means that a hotel is obliged to not only deliver services and products but also to increase customer satisfaction by providing quality and hence improvement of profits.

**1.2 Statement of the Problem**

In order for hotel business to increase performance, the critical success factors of TQM should be implemented well. The study by Black in 2012 was an attempt at developing a model for measuring the critical factors of TQM. These factors appear to be compatible with successful TQM implementation programs in the hotel industry. They represent strategic elements, people involvement, emphasis on communication, a focus on the customer, and an awareness of the external market, the need to develop supplier partnerships, measurement and emphasis on developing a culture for quality improvement (Wadongo, 2014).
Deming (2014) underlined the use of statistical techniques for quality control, and proposed his 14 principles to improve quality in organizations, based on the following ideas: leadership, an improvement philosophy, the right production from the beginning, training for managers and employees, internal communication aimed at the elimination of obstacles for cooperation and the suppression of quantitative objectives. However, hotel industry business in the past evidence has shown that TQM programs have failed because the success factors were not in place (Curry & Kadasah, 2012). The current study therefore aims to investigate Total Quality Management critical success factors and their effects on performance of 5-star hotels business in Nairobi

1.3 Research Objectives

It covers both the general and specific objectives.

1.3.1 General Objective

The study aims to investigate Total Quality Management critical success factors and their effects on performance of 5-star hotels business in Nairobi

1.3.2 Specific Objectives

i. To establish the influence of top management commitment on performance of 5-star hotels business in Nairobi.

ii. To determine the effect of rating on performance of 5-star hotels business in Nairobi.

iii. To evaluate the effect of technology on performance of 5-star hotels business in Nairobi.

iv. To find out the effect of organizational culture on performance of 5-star hotels business in Nairobi.
1.4 Research Hypotheses

H_{O1}: There is no significant relationship between top management commitment and performance of 5-star hotels business in Nairobi.

H_{O2}: There is no significant relationship between rating and performance of 5-star hotels business in Nairobi.

H_{O3}: There is no significant relationship between technology and performance of 5-star hotels business in Nairobi.

H_{O4}: There is no significant relationship between organizational culture and performance of 5-star hotels business in Nairobi.

1.5 Significance of the Study

The study will be of significance to 5 star hotels as it will highlight the critical success factors that have slowed down TQM implementation and organizational performance. This will enable the hotels to streamline these factors so as to provide quality services to its clients and thus improve on general performance. The study will also be of great significance to hotel investors as knowing the merits and demerits of TQM critical factors will enable them to implement effectively TQM practices in their endeavors.

The study will also help enlighten other organizations on critical success factors of TQM implementation as well as furnish them with the appropriate information concerning organizational performance. The result will be a significant increase in other sectors in Kenya. The government of Kenya will also significantly benefit from the study in that the recommendations and the conclusion made at the end of this study will help the Kenyan government to formulate sound policies that will help increase TQM implementation and enhance service quality among its population.

The study will also contribute immensely to the academic world. It will act as a source of future reference for other researchers and scholars. The academic fraternity will find the
report important in highlighting the quality management practices adopted in the hospitality industry in Kenya and in effect open up research and study opportunities in areas not adequately covered by the report.

1.6 Scope of the Study

The study will focus itself to TQM critical success factors and their effects on performance of 5-star hotels business in Nairobi. The research will be carried out in 5-star hotels. The study will be conducted within Nairobi Area. It will focus on top management commitment, rating, technology and organizational culture on performance of five star hotels. This is because they are the factors of TQM that have been most. The study will cover a period of four months that is from March to June 2016.

1.7 Limitations of the Study

The study could be limited by lack of information on TQM by the respondents targeted for the study. It could be a foreign concept to them and they could therefore be poor sources of information for the study.

There may be unwillingness by some respondents to give sensitive information for fear of competition. The research will assure them the confidentiality of the information.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Institutional theory

This study adapted the Institutional theory developed by Hoffman in 2014 which states that organizations are affected by forces which lie beyond their control and is built on the notion that institutional environments are socially constructed. Accordingly, the institutional environment and its participants play key roles in shaping organizational systems, structures and behaviors. An organization must comply with environmental changes if it is to receive consideration and continued societal support. Thus, the institutional environment is viewed as defining not only the appropriate organizational systems, structures and behaviors but also the manner in which they conform to institutionalized beliefs in society. While institutions are an integral part of organizational life, institutional theory treats institutions as largely exogenous to the organization. Institutional theorists (Garvin, 2014) suggest that institutional theory can be applied to a variety of different organizations and many different levels of analysis, stretching from a macro-system perspective to an organizational sub-system perspective. Organizations are forced to change their systems and procedures directly as a consequence of changing demands from the environment. This adherence to pressure helps the organization to secure economic resources and competitive advantage. In particular, ambiguous organizational goals and strategies or poorly understood technologies may cause organizations to model themselves on other organizations.

In relation to this study, for hotels to fully implement TQM practices it has to understand the critical factors behind the success of the TQM practices. These factors mostly exist within the
organizational environments which pose challenges in their efforts to achieve their goals of TQM practices in order to enhance performance. Organizations need to identify these business environment challenges and decide which strategies to implement to attain their objectives. The institutions environment provides organizations with a framework on which strategies formulated fit every situation.

2.1.2 Theory of Constraints (TOC)

The theory of constraints (TOC) developed by Hoffman in 2014. It was defined as a management paradigm that views any manageable system as being limited in achieving more of its goals by a very small number of constraints (Isaac, 2012). There is always at least one constraint, and TOC uses a focusing process to identify the constraint and restructure the rest of the organization around it. Theory of constraints is based on the premise that the rate of goal achievement by a goal-oriented system (i.e., the system's throughput) is limited by at least one constraint.

A constraint is anything that prevents the system from achieving more of its goal. There are many ways that constraints can show up, but a core principle within TOC is that there are not tens or hundreds of constraints. There is at least one but at most only a few in any given system. Constraints can be internal or external to the system (Yusof & Gommack, 2006). An internal constraint is in evidence when the market demands more from the system than it can deliver. If this is the case, then the focus of the organization should be on discovering that constraint and following the five focusing steps to open it up (and potentially remove it). An external constraint exists when the system can produce more than the market will bear. If this is the case, then the organization should focus on mechanisms to create more demand for its products or services.
The concept of the constraint in Theory of Constraints is analogous to but differs from the constraint that shows up in mathematical optimization. In TOC, the constraint is used as a focusing mechanism for management of the system. In optimization, the constraint is written into the mathematical expressions to limit the scope of the solution (X can be no greater than 5). Organizations have many problems with equipment, people, policies, etc. A breakdown is just that – a breakdown – and is not a constraint in the true sense of the TOC concept. The constraint is the thing that is preventing the organization from getting more throughputs (typically, revenue through sales).

2.2 Total Quality Management

The section comprises of top management commitment, rating, technology and organizational culture.

2.2.1 Top Management Commitment

Top Management plays a critical role in any key business decision. Consequently, the success of any critical decision made in an organization is highly dependent on top management support and commitment (Zakuan et al., 2012). Quality issue has become of great importance to every organization and no management can afford to let nature take its course when it comes to quality. The top management must play a leading role by making available the critical resources, establishing an organization wide quality policy that is well communicated to all stakeholders, establishing a quality management structure and managing the entire process through close monitoring and evaluation. This must be supported by an organization culture and climate of open cooperation and team work among stakeholders in quality management (Sharp et al., 2012).

Deming (2014) urges that managers must institute leadership to usher the quality transformation process. Murphy (2014) discussed two types of leadership: transformational...
leadership and transactional leadership. Transformational leadership is leadership that is based on an ideologically anchored vision while transactional Leadership is based on reward control mechanisms and emphasizes on clarification of followers roles and goals and the way the desired outcome will follow after achievement of the set goals. Champions of innovation tend to exhibit transformational leadership behavior; they try to initiate influence through calculated tactics in their work environment.

Arshida & Agil (2012) points out top management commitment as an essential element for ensuring successful TQM implementation. The top management must be on the fore front of the quality management process starting from the initial stages. According to Omware (2012), adoption of TQM for the first time is associated with development of new organizational policy, new procedures and new tools that must be learned. TQM is an organizational change process that is often associated with instability, confusion, and employees’ resistance and must be carefully initiated through consistent management involvement. This was consistent with Isaac (2012) that top management must develop clear quality mission and goals and identify quality values and communicate them to all employees. They must put in place a proper quality planning process, and a good quality management structure to ensure successful implementation.

According to existing literature, Top management commitment is unarguably one of the most important factors underlying the success of TQM. The importance of Top management commitment and communication is furthermore acknowledged in newer empirical literature. A general consensus appears to be prevailing - top management commitment to quality must be verified and demonstrated, by actively communicating the mission and vision through- out the entire organization (Demirbag, 2014). However, the responsibility of quality alignment and improvements does not rely solely on the top management. Another important aspect is the ability of top management to allow and encourage employees throughout the organization.
to conduct necessary actions on their own initiatives and thus be actively involved in organizational improvements. This, in turn, may often be associated with the provision of adequate resources to foster new ideas and organizational improvement opportunities.

Despite most studies agreeing upon the importance of management communicating the vision and quality objectives, solely conveying the strategy is insufficient. Vision and mission statements have to be operationalized into daily activities that must be carried out. As described in the study by Lin et al. (2014), the role of management must be focused towards driving, involving and assessing, rather than planning and controlling. Based on the above depiction of empirical studies addressing the importance of Top management commitment, the following hypothesis is developed: The success of TQM is vastly depending upon the organization’s ability to satisfy and fulfill the interests of various stakeholders. Suppliers’ ability to fulfill the needs of the organization, in terms of delivering quality input, is however also crucial for the organization (Baidon, 2012). The importance of creating and sustaining superior supplier relationships is widely emphasized in empirical studies, as the quality of input, such as purchased raw materials, is directly related to the final product. As a result of this interrelatedness, keeping record and providing feedback on quality performance is often considered highly important for the purpose of problem identification and supplier process improvements (Johanna, 2014). In continuation hereof, having a close vendor and supplier cooperation in combination with the creation of long term mutually beneficial relationships with reliable suppliers, is accentuated in several studies as an important factor underlying the success of TQM (Golafshani, 2012). As stated by Tahtamouni et al. (2012), suppliers should be selected on quality instead of price or delivery schedule. This especially applies to manufacturing organizations.

People management, also referred to as employee focus and employee relationship, is in numerous studies referred to as one of the most important factors underlying a successful
employment of TQM, as TQM implies involving the whole organization, i.e. each employee at all levels. In the TQM philosophy, the importance of internal and external information sharing is widely emphasized. Sharing information across functional groups of the organization, is in several studies seen as a way of encouraging employees and making them feel responsibility for quality decisions and improvements (Whitney, 2013). Likewise, involving employees by hearten them to come up with suggestions related to quality development and improvements, is by many seen as an essential element underlying a successful implementation of TQM and performance enhancement. It is by Sun et al. (2012) argued, that the essence of involving employees in the decision making process, is that the employees nearest a potential opportunity or a problem are in the best position of making the necessary decisions, if they have control over the process. Ensuring an efficient flow of feedback is thus essential to remove barriers to performance improvements.

Besides involving employees in the decision making process, continuous focus on education and training of employees is an important factor underlying the sustainability and enhancement of organizational Training is argued to provide employees with knowledge of quality concepts and statistical methods as well as managerial skills, with the aim of improving processes, preventing errors and for idea generation purposes (Tari, 2013). As the provision of employee training and empowerment is associated with costs for the organization, it must be aligned with employee evaluations in order to examine the effects hereof (Twati & Gammack, 2014).

2.2.2 Rating

Rating is an important strategic tool of total quality management (TQM). Rating enhances transparency and performance after entering the public domain (Braadbaart, 2014). For the implementation of TQM factors within corporations one of the most influential factors in
ensuring TQM adoption success was the formulation of a sound implementation framework prior to embarking on such a change process.

A rating is classically seen as a tool to improve organization’s performance and competitiveness in business life. Rating should be a reference or measurement standard for comparison; a performance measurement that is the standard of excellence for a specific business; and a measurable, best-in-class achievement. More than 40 definitions have been given to the term “rating (Wang, 2012). Rating is a strategic tool for performance assessment and continuous improvement in performance (Lin et al, 2014), Service rating is made more difficult than rating in manufacturing because it appears that the parameters that are important to the customers may differ significantly from one service industry to another (Johanna, 2014). One aspect of rating is to enable organization to gauge how well they are performing against others who undertake similar tasks and activities. But a more important aspect of best practice rating is gaining an understanding of how other organizations achieve superior performance. (Oakland, 2012)

Rating, one of the most transferrable aspects of Rank Xerox’s approach to total quality management, and thought to have originated in Japan, measures on an organization’s operations, products and services against those of its competitors in a ruthless fashion. It is a means by which targets, priorities and operations that will lead to competitive advantage can be established. Rating is the continuous process of measuring products, services and processes against those of industry leaders or the toughest competitors. This result in a search for the best practice those that will lead to superior performance through measuring performance, continuously implementing change, and emulating the best. The links between rating and TQM are clear- establishing objectives based on industry best practice should directly contribute to better meeting of the internal and external customer requirements (Oakland, 2013). At its simplest competitive rating, the most common form requires every
department to examine itself against its counterpart in the best competing companies. This includes a scrutiny of all aspects of their activities. Rating is very important in the administrative areas, since it continuously measures services and services against the equivalent operation against the equivalent operation in the toughest direct competitors or organizations renowned as leaders in the areas, even if they are in the same organization. Measurement and rating are not separate sciences or unique theories management, but rather strategic approaches to getting the best out of people, processes, products, plant and programmes.

This is supported by Whitney (2013) that measurement of benchmarks may not be consistent unless the two properties being benchmarked are as similar as possible. However, internal rating is an effective tool to track the change over time; internal rating could help engineers to identify areas for improvement and measure the performance. Shows a typical internal rating commonly used by engineers for tracking electricity consumption per occupied room-night in hotels. Engineers compare the current month’s consumption with the last month and same month of previously years; any variation could be criticized against the affecting factors such as occupancy, outdoor temperature and humidity. This kind of tracking can also be used for evaluating the performance of improvement projects. Being able to measure the result is important for continuous improvement (Oakland, 2012). Rating is an ongoing planning, research and learning process that ensures that the best practices are uncovered, adopted and implemented by the organization. It enables managers to perform company-to-company comparisons of processes and practices to identify the best of the best and to attain a level of competitive advantage (Trivellas, 2009). It can be: internal, competitive, or comparative. Internal rating between functions, departments or a similar organization aims at optimizing process performance by removing errors.
Competitive rating which is a cross-comparison within one industry sector aims at establishing best practice through the identification of gaps between the organization’s and its competitors’ performance on a product, functional, departmental or, company-wide basis. Comparative rating is a comparison across all business sectors aimed at establishing best practice in all areas of operation (Kanji & Asher, 2014). This method can easily be practiced in hotel but more related to upper management. It can be very useful if used to determine the feasibility of a product/service, already present in other departments, hotel, or even other organizations from other industries.

Quality Function Deployment (QFD) is a technique, a methodology, a system (Oakland, 2012) and a process for planning a product quality-wise by developing and producing new products/services. It is planned by translating information sourced from customer requirements, functionality, costs, capital and reliability into company requirements. The technique can be used in research, product development, engineering, and manufacturing, marketing, and distribution areas. It can be used as a tool to determine the level of customer focus towards the new product/service (Oakland, 2012). The method of QFD can enable the organization to improve its products/services and work processes up to the degree which exceeds the customers’ expectations.

2.2.3 Technology

Information technology for Total Quality Management has been significantly implemented on most organizations and each has been widely researched. Many organizations are providing better products and services with the help of introducing Information Technology in Total Quality Management. The global competition has enhanced the role of quality in business world whereas competition is adding to pressure to the organization. These challenges and pressures have placed a renewed focus on quality improvement for the long-term survival of the organization (Awino et al, 2012).
Technology acts as an enabling mechanism, which results in enriched jobs and increased job satisfaction. TQM is a philosophy of management and asset for customer centric practices for delivering quality. The TQM principle, practices and techniques can be applied to all functions within an organization including information system, marketing, finance and research and development. Similarly, there have been many studies into the effects of TQM implementation on performance (Kuria et al, 2011). Management interventions such as TQM rely heavily on IT, which acts as a feedback mechanism and facilitates communication and the implementation of advanced tools, systems and modeling techniques. Specific IT applications might impact TQM, they suggest that most importantly, IS has to be effective. For instance, in order to satisfy the customers, information on their needs and preference must be collected and to function with a process orientation, IT can be crucial.

The IT literature suggests that customer may assess the quality of an organization’s system by evaluating the level of the system services preferred. For instance, customers may choose not to accept services from an organization if the systems used in the services are outdated or are unable to satisfy the needs of the customers. It is anticipated that application of IT in quality management will improve the operational tasks of quality management and hence increase quality output. IT in service industry commented that service industries are investing heavily in technology especially IT, to improve productivity, but with apparently very limited services. The role of IT in quality Improvement is: increasing quality awareness; Online information about the quality level and reducing quality costs

Technology is the key to hotel business since customers need to assess online services before the place the booking. Mills et al (2012) hotel business competition is very high and this phenomenon is caused by amongst other things, the fact that tourism enterprises among which are hotels, now find themselves in a better position to compete internationally. This in turn results in increased international competition not only between destinations but also
between hotel establishments. The implication of globalization coupled with the rapid development of new technology, is that today’s tourists is able to compare a variety of destinations before making a choice yet Kenya lacks innovative products to keep guests spending for longer (The Kenya Economic Report, 2012).

2.2.4 Organizational Culture

Managers ought to focus on aligning the quality objectives with the vision, commence quality as a corporate culture and create a culture in which continuous improvements are supported and reluctance towards change is minimized. Establishing a quality culture in alignment with the overall business strategy is thus essential for the success of the organization.

As cited by Omware (2012) he defined culture as a set of principles, values, beliefs, common understanding or thinking or norms for behavior that are shared by members of a society. Organizational culture is defined by Tari (2013) as the set of organizational practices that are seen as characteristic for an organization. It gives the values, norms and principles that guide daily operations of an organization. Nahzad et al, (2012) discussed four dimensions of organizational culture: group culture that emphasizes on flexibility and cohesion among employees of an organization and advocates that top management should promote employees participation and empower them, developmental culture that advocates for flexibility and change based on the external environment, rational culture that which is oriented towards the external environment but focuses on control and stability and hierarchical culture that focuses on internal focus and control through internal efficiency and adherence to law.

Wali & Boujelbene (2011) on the other hand discussed organizational culture under orientations. They discussed four orientations: innovation orientation, stability orientation, results orientation, people orientation and communication orientation. An organization must come up with quality culture that must be integrated with other dimensions of culture if it has
to succeed in TQM management. Organizational quality culture influences TQM implementation process as it communicates quality practices and norms that employees are expected to engage in. To Juran. (2014), organization quality culture affects the employee’s beliefs in implementation of TQM. An organization needs to create organization culture where employees understand and are encouraged to participate in quality management programs.

Hotel culture is used as a separate variable in the current study since hotel’s culture affects behaviors’ and attitudes at all levels and it determines, to a large extent, how employees act. Culture is maintained by a hotel that is committed to customer’s satisfaction through continuous improvement based upon meeting or exceeding their customer’s expectations (Flynn, 2013). It has four main targets; satisfying customers, satisfying staff, increasing revenues and reducing costs (Godfey, 2012). The study by Black in 2012 was an attempt at developing a model for measuring the critical factors of TQM. Using the MBNQA criteria and ten factors were identified as the most critical. These factors appear to be compatible with successful TQM implementation programs. They represent strategic elements, people involvement, emphasis on communication, a focus on the customer, and an awareness of the external market, the need to develop supplier partnerships, measurement and emphasis on developing a culture for quality improvement (Youssef & Aspinwall, 2012).

According to the American Society for Quality, critical success factor of TQM ensure that customers’ requirements such as confidence in the ability of the organization to deliver the desired product and service consistently meeting their needs and expectations. The factor practices seek to ensure that organization’s requirements are met both internally and externally, and at an optimum cost with efficient use of the available resources – materials, human, technology and information. For performance to be a success, a program depends on how well a specific improvement program is implemented and integrated with the overall
business strategies. Service champions make best practices in service quality a core part of their organization culture. TQM breaks down every process or activity and emphasizes that each contributes or detracts from the quality and productivity of the organization. Wang (2012) defines TQM as a continuous effort to meet the agreed requirements of the customer at the lowest cost through the full involvement of all the employees. It aims to create a corporate quality culture.

2.3 Empirical Review

2.3.1 Top Management Commitment and Performance

Top Management plays a critical role in any key business decision. Consequently, the success of any critical decision made in an organization is highly dependent on top management support and commitment (Isaac, 2012). Quality issue has become of great importance to every organization and no management can afford to let nature take its course when it comes to quality. The top management must play a leading role by making available the critical resources, establishing an organization wide quality policy that is well communicated to all stakeholders, establishing a quality management structure and managing the entire process through close monitoring and evaluation. This must be supported by an organization culture and climate of open cooperation and team work among stakeholders in quality management (Sharp et al., 2012).

Deming (2014) urges that managers must institute leadership to usher the quality transformation process. Krumbholz & Maiden (2010) discussed two types of leadership: transformational leadership and transactional leadership. Transformational leadership is leadership that is based on an ideologically anchored vision while transactional Leadership is based on reward control mechanisms and emphasizes on clarification of followers roles and goals and the way the desired outcome will follow after achievement of the set goals.
Champions of innovation tend to exhibit transformational leadership behavior; they try to initiate influence through calculated tactics in their work environment.

Arshida & Agil (2012) points out top management commitment as an essential element for ensuring successful TQM implementation. The top management must be on the forefront of the quality management process starting from the initial stages. According to Omware (2012), adoption of TQM for the first time is associated with development of new organizational policy, new procedures and new tools that must be learned. TQM is an organizational change process that is often associated with instability, confusion, and employees’ resistance and must be carefully initiated through consistent management involvement. This was consistent with Benson et al. (2012) that top management must develop clear quality mission and goals and identify quality values and communicate them to all employees. They must put in place a proper quality planning process, and a good quality management structure to ensure successful implementation.

According to existing literature, Top management commitment is unarguably one of the most important factors underlying the success of TQM. The importance of Top management commitment and communication is furthermore acknowledged in newer empirical literature. A general consensus appears to be prevailing - top management commitment to quality must be verified and demonstrated, by actively communicating the mission and vision through-out the entire organization (Demirbag, 2014). However, the responsibility of quality alignment and improvements does not rely solely on the top management. Another important aspect is the ability of top management to allow and encourage employees throughout the organization to conduct necessary actions on their own initiatives and thus be actively involved in organizational improvements. This, in turn, may often be associated with the provision of adequate resources to foster new ideas and organizational improvement opportunities.
Despite most studies agreeing upon the importance of management communicating the vision and quality objectives, solely conveying the strategy is insufficient. Vision and mission statements have to be operationalized into daily activities that must be carried out. As described in the study by Flynn (2013), the role of management must be focused towards driving, involving and assessing, rather than planning and controlling. Based on the above depiction of empirical studies addressing the importance of Top management commitment, the following hypothesis is developed: The success of TQM is vastly depending upon the organization’s ability to satisfy and fulfill the interests of various stakeholders (Sharp, 2012). Suppliers’ ability to fulfill the needs of the organization, in terms of delivering quality input, is however also crucial for the organization. The importance of creating and sustaining superior supplier relationships is widely emphasized in empirical studies, as the quality of input, such as purchased raw materials, is directly related to the final product. As a result of this interrelatedness, keeping record and providing feedback on quality performance is often considered highly important for the purpose of problem identification and supplier process improvements (Demirbag, 2014). In continuation hereof, having a close vendor and supplier cooperation in combination with the creation of long term mutually beneficial relationships with reliable suppliers, is accentuated in several studies as an important factor underlying the success of TQM (Flynn et al., 2013). As stated by Kuei. (2012), suppliers should be selected on quality instead of price or delivery schedule. This especially applies to manufacturing organizations.

People management, also referred to as employee focus and employee relationship, is in numerous studies referred to as one of the most important factors underlying a successful employment of TQM, as TQM implies involving the whole organization, i.e. each employee at all levels. In the TQM philosophy, the importance of internal and external information sharing is widely emphasized. Sharing information across functional groups of the
organization is in several studies seen as a way of encouraging employees and making them feel responsibility for quality decisions and improvements. Likewise, involving employees by hearten them to come up with suggestions related to quality development and improvements, is by many seen as an essential element underlying a successful implementation of TQM and performance enhancement. It is by Bahri et al. (2012) argued, that the essence of involving employees in the decision making process, is that the employees nearest a potential opportunity or a problem are in the best position of making the necessary decisions, if they have control over the process. Ensuring an efficient flow of feedback is thus essential to remove barriers to performance improvements.

Besides involving employees in the decision making process, continuous focus on education and training of employees is an important factor underlying the sustainability and enhancement of organizational (Murphey, 2014). Training is argued to provide employees with knowledge of quality concepts and statistical methods as well as managerial skills, with the aim of improving processes, preventing errors and for idea generation purposes. As the provision of employee training and empowerment is associated with costs for the organization, it must be aligned with employee evaluations in order to examine the effects hereof (Golafshani, 2012).

2.3.2 Rating and Performance

Rating is an important strategic tool of total quality management (TQM). Rating enhances transparency and performance after entering the public domain (Awino et al, 2012). For the implementation of TQM factors within corporations one of the most influential factors in ensuring TQM adoption success was the formulation of a sound implementation framework prior to embarking on such a change process.

A rating is classically seen as a tool to improve organization’s performance and competitiveness in business life. Rating should be a reference or measurement standard for
comparison; a performance measurement that is the standard of excellence for a specific business; and a measurable, best-in-class achievement. More than 40 definitions have been given to the term “rating” (Wang, 2012). Rating is a strategic tool for performance assessment and continuous improvement in performance (Lin et al., 2014), Service rating is made more difficult than rating in manufacturing because it appears that the parameters that are important to the customers may differ significantly from one service industry to another (Curry & Kadash, 2012). One aspect of rating is to enable organization to gauge how well they are performing against others who undertake similar tasks and activities. But a more important aspect of best practice rating is gaining an understanding of how other organizations achieve superior performance (Oakland, 2012).

Rating, one of the most transferrable aspects of Rank Xerox’s approach to total quality management, and thought to have originated in Japan, measures on an organization’s operations, products and services against those of its competitors in a ruthless fashion. It is a means by which targets, priorities and operations that will lead to competitive advantage can be established. Rating is the continuous process of measuring products, services and processes against those of industry leaders or the toughest competitors (Dale & Ferguson, 2012). This result in a search for the best practice those that will lead to superior performance through measuring performance, continuously implementing change, and emulating the best. The links between rating and TQM are clear- establishing objectives based on industry best practice should directly contribute to better meeting of the internal and external customer requirements (Oakland, 2013). At its simplest competitive rating, the most common form requires every department to examine itself against its counterpart in the best competing companies. This includes a scrutiny of all aspects of their activities. Rating is very important in the administrative areas, since it continuously measures services and services against the equivalent operation against the equivalent operation in the toughest direct competitors or
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This is supported by Kaziliunas (2014) that measurement of benchmarks may not be consistent unless the two properties being benchmarked are as similar as possible. However, internal rating is an effective tool to track the change over time; internal rating could help engineers to identify areas for improvement and measure the performance. Shows a typical internal rating commonly used by engineers for tracking electricity consumption per occupied room-night in hotels. Engineers compare the current month’s consumption with the last month and same month of previously years; any variation could be criticized against the affecting factors such as occupancy, outdoor temperature and humidity. This kind of tracking can also be used for evaluating the performance of improvement projects. Being able to measure the result is important for continuous improvement (Oakland, 2012). Rating is an ongoing planning, research and learning process that ensures that the best practices are uncovered, adopted and implemented by the organization. It enables managers to perform company-to-company comparisons of processes and practices to identify the best of the best and to attain a level of competitive advantage (Zukan et al, 2012). It can be: internal, competitive, or comparative. Internal rating between functions, departments or a similar organization aims at optimizing process performance by removing errors.

Competitive rating which is a cross-comparison within one industry sector aims at establishing best practice through the identification of gaps between the organization’s and its competitors’ performance on a product, functional, departmental or, company-wide basis. Comparative rating is a comparison across all business sectors aimed at establishing best practice in all areas of operation (Isaac, 2012). This method can easily be practiced in hotel
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Information technology for Total Quality Management has been significantly implemented on most organizations and each has been widely researched. Many organizations are providing better products and services with the help of introducing Information Technology in Total Quality Management. The global competition has enhanced the role of quality in business world whereas competition is adding to pressure to the organization. These challenges and pressures have placed a renewed focus on quality improvement for the long-term survival of the organization (Aljalahma, 2011).

Technology acts as an enabling mechanism, which results in enriched jobs and increased job satisfaction. TQM is a philosophy of management and asset for customer centric practices for delivering quality. The TQM principle, practices and techniques can be applied to all functions within an organization including information system, marketing, finance and
research and development. Similarly, there have been many studies into the effects of TQM implementation on performance (Kuria et al, 2011). Management interventions such as TQM rely heavily on IT, which acts as a feedback mechanism and facilitates communication and the implementation of advanced tools, systems and modeling techniques. Specific IT applications might impact TQM, they suggest that most importantly, IS has to be effective. For instance, in order to satisfy the customers, information on their needs and preference must be collected and to function with a process orientation, IT can be crucial.

The IT literature suggests that customer may assess the quality of an organization’s system by evaluating the level of the system services preferred. For instance, customers may choose not to accept services from an organization if the systems used in the services are outdated or are unable to satisfy the needs of the customers (Mills et al, 2012). It is anticipated that application of IT in quality management will improve the operational tasks of quality management and hence increase quality output. IT in service industry commented that service industries are investing heavily in technology especially IT, to improve productivity, but with apparently very limited services. The role of IT in quality Improvement is: increasing quality awareness; Online information about the quality level and reducing quality costs

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2.3.4 Organizational Culture and Performance

Managers ought to focus on aligning the quality objectives with the vision, commence quality as a corporate culture and create a culture in which continuous improvements are supported and reluctance towards change is minimized. Establishing a quality culture in alignment with the overall business strategy is thus essential for the success of the organization.

As cited by Nahzad et al, (2012) defined culture as a set of principles, values, beliefs, common understanding or thinking or norms for behavior that are shared by members of a society. Organizational culture is defined by Whitney (2013) as the set of organizational practices that are seen as characteristic for an organization. It gives the values, norms and principles that guide daily operations of an organization. Nahzad et al, (2012) discussed four dimensions of organizational culture: group culture that emphasizes on flexibility and cohesion among employees of an organization and advocates that top management should promote employees participation and empower them, developmental culture that advocates for flexibility and change based on the external environment, rational culture that which is oriented towards the external environment but focuses on control and stability and hierarchical culture that focuses on internal focus and control through internal efficiency and adherence to law.

Arshida & Argil (2012) on the other hand discussed organizational culture under orientations. They discussed four orientations: innovation orientation, stability orientation results orientation, people orientation and communication orientation. An organization must come up with quality culture that must be integrated with other dimensions of culture if it has to succeed in TQM management. Organizational quality culture influences TQM implementation process as it communicates quality practices and norms that employees are expected to engage in. To Juran et al. (2014), organization quality culture affects the employee’s beliefs in implementation of TQM. An organization needs to create organization
culture where employees understand and are encouraged to participate in quality management programs.

Hotel culture is used as a separate variable in the current study since hotel's culture affects behaviors’ and attitudes at all levels and it determines, to a large extent, how employees act. Culture is maintained by a hotel that is committed to customer’s satisfaction through continuous improvement based upon meeting or exceeding their customer’s expectations (Thiagararan & Zairi, 2012). It has four main targets; satisfying customers, satisfying staff, increasing revenues and reducing costs. The study by Black in 2012 was an attempt at developing a model for measuring the critical factors of TQM. Using the MBNQA criteria and ten factors were identified as the most critical. These factors appear to be compatible with successful TQM implementation programs. They represent strategic elements, people involvement, emphasis on communication, a focus on the customer, and an awareness of the external market, the need to develop supplier partnerships, measurement and emphasis on developing a culture for quality improvement (Yusef & Aspinwall 2012).

According to the American Society for Quality, critical success factor of TQM ensure that customers’ requirements such as confidence in the ability of the organization to deliver the desired product and service consistently meeting their needs and expectations. The factor practices seek to ensure that organization’s requirements are met both internally and externally, and at an optimum cost with efficient use of the available resources – materials, human, technology and information. For performance to be a success, a program depends on how well a specific improvement program is implemented and integrated with the overall business strategies. Service champions make best practices in service quality a core part of their organization culture (Omware, 2012). TQM breaks down every process or activity and emphasizes that each contributes or detracts from the quality and productivity of the organization. Flynn (2013) defines TQM as a continuous effort to meet the agreed
requirements of the customer at the lowest cost through the full involvement of all the employees. It aims to create a corporate quality culture.

2.4 Summary Research Gaps

Total quality management (TQM) has grown to become an established field of research. The need for an improved understanding of the critical factors for successful TQM implementation is becoming more important. Much of the work to date has concentrated on large businesses, very little has been done in hotels. A set of CSFs for TQM implementation believed to be appropriate is proposed. The paper culminates in a discussion of the development of a questionnaire to meet the purpose of this study, which is to investigate CSFs which are relevant to hotels. Only through such an understanding can the task of TQM implementation be made easier. One of the main difficulties in studying critical factors of TQM is how to define and measure them before they become critical (Tari, 2013).

A study of CSFs was pioneered by Isaac (2012) in which they derived a set of eight critical factors of quality management mainly from literature published by the quality gurus. They defined critical factors as those critical areas of managerial planning and action that must be practiced to achieve effective quality management in a business unit. The study of CSFs was later pursued by other authors who approached the problem using different methodologies for factor derivation (Zakuan, et al, 2012), using a different set of factors and replicating the instrument in different cultures and countries (Whitney, 2013). Juran (2012) main objective was to develop an instrument to measure quality management practices in companies. They did not incorporate the perceived importance level for the factors proposed. Earlier, Garvin (2014) conducted a specific empirical study on the different quality practices that existed between Japanese and US air-conditioner manufacturers. From this he was able to determine certain practices, which contributed towards quality excellence, that were undertaken.
Regarding the information from the literature critical success factor of TQM can build high-performance cultures by their efforts to create organizational climate devoted to quality and their active involvement in promoting quality by engaging the workforce and establishing lasting relationships with customers (Obonyo, 2013). The issues of employee involvement which entails continuous improvement programs, employee training and functioning of teams acts as critical success factors for service industries including 5-star hotels. Competitive rating which is a cross-comparison within one industry sector aims at establishing best practice through the identification of gaps between the hotels’ and its competitors’ performance on a product, functional, departmental or, company-wide basis. Employees focus on attending to problems immediately, not to leave issues and problems unresolved because solving them at the earliest time creates good impression to the customer about the type of establishment they are in. technology advancement enables hotels to lower the costs associated with the service delivery and hence increase the profitability of the hotels. While Employee involvement will increase conceptualization in that it describes shared or joint decision making between managers and workers of the hotels. Customer service has never been as exciting as it is today because customers are more connected and knowledgeable than ever before, the social media, online customer reviews, messages forums and the power of internet search are tipping and shifting the balance of power in their favors. Therefore, both the variables must work mutually to enhance the performance of the 5-star hotels.
2.5 Conceptual Framework

Independent Variable

- **Top management commitment**
  - Level of employee engagement
  - Number of quality plans
  - Resource provision

- **Rating**
  - Gap determination
  - Future targeting
  - Goal adjustment

- **Technology**
  - Innovativeness level
  - Level of ICT adoption
  - Number of Online purchases

- **Organizational Culture**
  - Methods of Communication
  - Firms behavioral norms
  - Level of religious consideration

Dependent Variables

- **Organizational Performance of 5-star hotels business**
  - Revenues
  - Sales volume
  - Market share

Figure 1.1: Conceptual Framework of the study

**Source:** (Research, 2016)
CHAPTER THREE

RESEARCH METHODOLOGY

This chapter covers research methodology that was applied in carrying out the study. It covers research design, target population, sample population, data collection instruments and procedures and data analysis.

3.1 Research Design

Kothari (2012) states that research design facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible, yielding maximal information with minimal expenditure of effort, time and money. This study used correlation research design. Momani et al (2013) describes a correlation research design as a systematic research method for collecting data from a representative sample of individuals using instruments composed of closed-ended and/or open-ended questions, observations, and interviews.

3.2 Target Population

Sharp (2012) refer to population as the aggregate or totality of those conforming to a set of specifications. The target population was at institutional level where the study targeted 10 5-star hotels in Nairobi CBD. Level of target population will be 87 comprising of management and employees of 5-star hotels in Nairobi CBD.
Table 1: Target Population

<table>
<thead>
<tr>
<th>Target Hotel</th>
<th>Management</th>
<th>Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercontinental Hotel</td>
<td>5</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Sankara Hotel</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Dusitd2 Nairobi</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Vila Rosa Kempinski</td>
<td>2</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Tribe Hotel</td>
<td>6</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Panari Hotel</td>
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<td>9</td>
<td>14</td>
</tr>
<tr>
<td>The Sarova Stanely</td>
<td>4</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Ole Sereni Hotel</td>
<td>3</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Royal Orchid Azure</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>70</td>
<td>106</td>
</tr>
</tbody>
</table>

3.3 Sampling Design

The sample size of the study was selected using census. The choice of the method was motivated by the fact that the population under study was small and it was considered in determining the sample size will be the need to have the right representation of the research population. This enabled the researcher to derive from it detailed data at affordable costs in terms of time, finances and human resources.

3.4 Data Collection Procedures/Instruments

Questionnaires and interview schedules were the main instruments of data collection for this study.

3.4.1 Questionnaire

Structured questionnaires were used to collect the required information from the study sample. The questionnaires were administered to heads of organization. The questionnaires consisted of the respondents’ background information, respondents’ perception on the study questions. This method was chosen because it enabled the researcher to obtain a lot of information in a small space of time. The instrument also ensured anonymity of respondents.
as their identities will not be requested for. Closed-ended questions were developed in this instrument with each item in the questionnaire to address specific objectives. It was divided into two parts, part A consisted of statements seeking respondent’s personal information while part B was seeking data on particular variables of study.

3.4.2 Interview Schedule

An interview schedule is also known as a standardized interview or researcher–administered survey. It is a data gathering methodology with a fixed format in which all questions are prepared beforehand and are put in the same order to each interviewee. This provides for the precision and reliability required in certain situations (Jamdi, 2014). Structured interview is very relevant in survey research. Respondents were given interview questions by the researcher personally, to ensure that the research intentions were consistently adhered to. Interview involved face to face encounter. Interview gave the researcher more flexibility in clarifying questions for more and relevant responses.

3.5 Reliability and Validity Research Instruments

3.5.1 Reliability

To achieve the reliability of research instrument the researcher used a test-retest to assess the reliability of the instrument. In this approach the same data collection instrument was used more than once with the same group of people and results compared statistically a pilot study of the area under study was carried out to establish the reliability.

3.5.2 Validity

Validity will be measured using Cronbach alpha method. The validity of research instrument will be based on experts’ opinion unchecked on the content of validity, the extent to which the instrument measured what it was intended to measure. Content validity will be ensured by doing a thorough literature review study on which the content of the questionnaire will be
based. Face validity will be ensured by: pretesting of the data collection tool and scrutiny of the instruments by the research supervisor. External validity of a study is said to exist when the results obtained in a study can be generalized to other people and other settings. Generalization is made considering the degree of confidence with which the sample findings can be conferred on the population and whether similar findings would be obtained at other times and places. External validity may be affected in cases where subjects behave in an unnatural way due to the fact that they are aware that they are being observed by the researcher (Trivellas, 2009).

The researcher obtained permits from the university and The National Council for Science, Technology and innovation (NACOSTI) to conduct the study. Permission was also be sought from IREC and the institutions to take part in the study. Once the permits were granted, the researcher booked appointment with the institutions to familiarize themselves and book appointment for data collection.

The data for the research was generated from the source by use of questionnaire and interviews schedules. The instruments were self-administered by the researcher with the use of research assistant and collected immediately after their completion. The researcher also conducted the interview schedules with the concerned parties. The instruments were then collected and taken for data analysis.

3.7 Data Analysis and Presentation

Data analysis is the process of creating order, structure and meaning to the mass of information collected. The data was collected using questionnaires. The data collected was analyzed using descriptive and inferential statistics. Descriptive statistics is the discipline of quantitatively describing the main features of a collected data which provided a simple summary about the sample and about the observations that have been made. The descriptive
statistics that was used include frequencies tables and percentages. Analysis was done using SPSS a computerized statistical package by encoding responses from questionnaires and providing understandable descriptive results. The inferential statistics involved the use of multiple regression analysis technique. The final model achieved thus contained only statistically significant factors at an alpha level of 0.05.

The model was in the form of: \[ Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e \]

Where: \( X = \) The independent variables

\( X_1 – \) Top management commitment \( X_2 – \) Rating

\( X_3 – \) Technology \( X_4 – \) Organizational Culture

\( Y = \) The dependent variable (Performance of 5-Star hotels) \( b = \) Independent Variable

Coefficients \( e = \) Error margin

\[ Y=3.092 + 0.126\text{ (Top commitment)} + 0.116\text{ (Rating)} + 0.276\text{ (Technology)} + 0.049\text{ (Culture)} + 0.461 \]

3.8 Ethical Considerations

Permits were sought from the various authorities concerned to carry-out the study. In respect for the informants and in order to protect them from abuse resulting from the data they gave for the research, the researcher presented them with a letter of consent and only allowed them to take part in the study when they consented. The researcher also adhered to confidentiality and anonymity to protect the source of information.
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1. Response Rate

The study targeted 106 respondents being managers and employees working in the 5 star hotels. From the total sample size of 95 members, 89.6% positively responded to the case request. Furthermore, Babbie (2007) suggested that any return rate over 50% can be reported, that over 60% is good, and that over 70% is excellent which was exceeded by the survey as indicated by the survey’s response rate.

The questionnaire was then hand delivered to those who agreed to participate in the study through the assistance of research assistants. All the respondents were experienced management and employees within the organization. The information provided by them was therefore considered to be reliable. The response rate is indicated in Table 4.1.

Table 2: Response Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Questionnaires administered</th>
<th>Questionnaires returned</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>36</td>
<td>32</td>
<td>89.6</td>
</tr>
<tr>
<td>Employees</td>
<td>70</td>
<td>63</td>
<td>89.6</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>95</td>
<td>89.6</td>
</tr>
</tbody>
</table>

Source: Research Data, 2017
### 4.2 Background information of respondents

**Table 3: Background information of respondents**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>50</td>
<td>52.6</td>
</tr>
<tr>
<td>Female</td>
<td>45</td>
<td>47.4</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age bracket</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 30 years</td>
<td>6</td>
<td>6.3</td>
</tr>
<tr>
<td>31-40 years</td>
<td>32</td>
<td>33.7</td>
</tr>
<tr>
<td>40-50 years</td>
<td>13</td>
<td>13.7</td>
</tr>
<tr>
<td>Over 50 years</td>
<td>44</td>
<td>46.3</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td><strong>Education level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post graduate</td>
<td>11</td>
<td>11.6</td>
</tr>
<tr>
<td>Under graduate</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Tertiary college</td>
<td>26</td>
<td>27.3</td>
</tr>
<tr>
<td>Secondary</td>
<td>20</td>
<td>21.1</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td><strong>Continuity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than one year</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>1-3 years</td>
<td>45</td>
<td>47.3</td>
</tr>
<tr>
<td>Over 3 years</td>
<td>31</td>
<td>32.7</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Research, 2017

The researcher sought to establish the gender of respondents, age bracket of respondents, education level of respondents and working experience of respondents in the organization.

Table 4.1 shows 52.6% of the respondents were male and 47.4% were female. From the results it shows majority of the respondents were male. This indicates that most of the males were competent in this area of work. The variation in the number of male and female was Snear even hence there was no bias in the findings of the study in terms of gender.

The results show 6.3% of the participants were below 30 years, 33.7% were between 31 years and 40 years, 13.7% were between 41 years and 50 years and 46.3% were above 51 years. From the findings the respondents were from different ages indicating that the study covered respondents from all ages.
The findings indicate 21.1% of the respondents had reached secondary level, and 27.4% had reached tertiary level. 40.0% had studied to university level while 11.6% reached the post graduate level. The results report that majority of employees working in 5 star hotels in Nairobi had reached university level implying that the respondents were qualified enough to participate in the study.

From the results 20.0% of the respondents had served below 1 years revealing that they had an experience of 1 year, 47.4% had served between 1 years and 3 years meaning they had work in the hotel for more than 1 years, 32.7% had served over 3 years meaning they had an experience in their work for more than 3 years. This indicates that majority of the employees have worked at the ages of 1-3 years and this made suitable candidates for the study.

4.3 Specific Information

This section explains specific information according to the study objectives namely: To establish the influence of top management commitment on performance of 5-star hotels business in Nairobi, to determine the effect of rating on performance of 5-star hotels business in Nairobi, to evaluate the effect of technology on performance of 5-star hotels business in Nairobi and to find out the effect of organizational culture on performance of 5-star hotels business in Nairobi.

4.3.1 Top commitment and Performance of 5-Star hotel

The study sought to investigate the influence of top management commitment on performance of 5-star hotels business in Nairobi.

Key: (SA: Strongly Agree; A: Agree; UD: Undecided; D: Disagree and SD: Strongly Disagree)
Table 4: Top commitment and Performance of 5-Star hotels business

<table>
<thead>
<tr>
<th>Statement</th>
<th>Freq</th>
<th>SD</th>
<th>D</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management in the hotel frequently develops innovative products to ensure the hotel attracts new customers</td>
<td></td>
<td>2</td>
<td>11</td>
<td>26</td>
<td>56</td>
<td>00</td>
<td>95</td>
<td>3.43</td>
</tr>
<tr>
<td>Top management in the hotel frequently interacts with employees to help them understand their needs and resolve them</td>
<td></td>
<td>2</td>
<td>17</td>
<td>36</td>
<td>34</td>
<td>6</td>
<td>95</td>
<td>3.26</td>
</tr>
<tr>
<td>Hotel management has various management projects that enhance customer satisfaction</td>
<td></td>
<td>6</td>
<td>11</td>
<td>27</td>
<td>53</td>
<td>2</td>
<td>95</td>
<td>3.48</td>
</tr>
<tr>
<td>Hotel Manager are often involved directly in the hotel activities and can help employees on duty on certain occasions</td>
<td></td>
<td>6</td>
<td>11</td>
<td>50</td>
<td>27</td>
<td>1</td>
<td>95</td>
<td>3.06</td>
</tr>
<tr>
<td>Management in the hotels puts effort in resource acquisition and makes sure that resources are available in the hotels</td>
<td></td>
<td>7</td>
<td>44</td>
<td>44</td>
<td>00</td>
<td>00</td>
<td>95</td>
<td>2.38</td>
</tr>
<tr>
<td>Top management in the hotel is involved in policy formation and revision from time to time</td>
<td></td>
<td>2</td>
<td>13</td>
<td>31</td>
<td>00</td>
<td>49</td>
<td>95</td>
<td>3.85</td>
</tr>
<tr>
<td>The customers feedback is a clear expression of the hotel and its management</td>
<td></td>
<td>2</td>
<td>12</td>
<td>24</td>
<td>50</td>
<td>7</td>
<td>95</td>
<td>3.5</td>
</tr>
<tr>
<td>The hotel takes into consideration the employee ideology in decision making by the management</td>
<td></td>
<td>3</td>
<td>13</td>
<td>32</td>
<td>00</td>
<td>47</td>
<td>95</td>
<td>3.79</td>
</tr>
</tbody>
</table>

Source: (Research, 2017)

The table above shows that 68.63% (mean=3.43) of the participants were of the opinion that management in the hotel frequently develops innovative products to ensure the hotel attracts new customers, 65.26% (mean=3.26) of the respondents were of the view that top management in the hotel frequently interacts with employees to help them understand their needs and resolve them, 69.68% (mean=3.48) of the respondents were of the opinion that hotel management has various management projects that enhance customer satisfaction, 61.26% (mean=3.06) of the participants were of the opinion that hotel Manager are often involved directly in the hotel activities and can help employees on duty on certain occasions,
47.78% (mean=2.38) of the respondents were of the view that management in the hotels puts effort in resource acquisition and makes sure that resources are available in the hotels, 77% (mean=3.38) of the participant were of the view that top management in the hotel is involved in policy formation and revision from time to time, 70.1% (mean=3.5) of the participants were of the opinion that the customers feedback is a clear expression of the hotel and its management, 75.9% (mean=3.79) of the respondents were of the view that the hotel takes into consideration the employee ideology in decision making by the management.

From the findings, majority of participants were of the opinion that the hotel takes into consideration the employee ideology in decision making by the management where they involve them in decision making of the catering establishments both in the hotel and restaurants hence motivating them. Also the top commitment helps in conducting the employees in the hotel, it increases employee performance in the hotels and it enhance solve employees problems.

The finding on the study agreed by (Kuria et al, 2011) that the hotel takes into consideration the employee ideology in decision making by the management because employee involvement is referred to as a participative process to use the entire capacity of workers, designed to encourage employee commitment to organizational success. This participation process, however, can take different forms. In their review, he found that different forms of involvement or participation may exist: participation in work decisions, consultative participation, short-term participation, informal participation, employee ownership, and representative participation. For example, the first category, participation in work decisions, includes formal schemes in which workers have a major influence on decisions relating to the work itself. Here, the participation in decisions is focused on how the work is organized, who does it, and what is done. Also (Lin et al, 2014) agrees with the study because participation
simply gives them the need to share their ideas, fears and express opinions on possible ways that will drive the sector forward. This emphasizes the need for a proper management style that incorporates employees in all the business endeavors in the service industry, as employees are the contact point to all customers and their attitude will not only leave a lasting impression but could also be a basis for repeat demand. This fact drives the need for employee’s participation in business decision making and their active participation in issues that relates to their welfare.

4.3.2 Rating and Performance of 5-Star hotel

The research sought to examine the effect of rating on performance of 5-star hotels business in Nairobi.

Key: (SA: Strongly Agree; A: Agree; UD: Undecided; D: Disagree and SD: Strongly Disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Freq</th>
<th>SD</th>
<th>D</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hotel has spacious rooms, compound and parking area to enhance customer experience and convenience.</td>
<td></td>
<td>10</td>
<td>22</td>
<td>26</td>
<td>28</td>
<td>9</td>
<td>95</td>
<td>3.04</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>10.5</td>
<td>23.2</td>
<td>27.4</td>
<td>29.5</td>
<td>9.5</td>
<td>100</td>
<td>60.8</td>
</tr>
<tr>
<td>The hotel has social amenities that ensures customer satisfaction in one place like swimming pool and kids amenities</td>
<td></td>
<td>3</td>
<td>22</td>
<td>27</td>
<td>38</td>
<td>5</td>
<td>95</td>
<td>3.21</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.2</td>
<td>23.2</td>
<td>28.4</td>
<td>40</td>
<td>5.3</td>
<td>100</td>
<td>64.2</td>
</tr>
<tr>
<td>The hotel location is a bit far from Nairobi CBD</td>
<td></td>
<td>3</td>
<td>19</td>
<td>35</td>
<td>29</td>
<td>9</td>
<td>95</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.2</td>
<td>20</td>
<td>36.8</td>
<td>30.5</td>
<td>9.5</td>
<td>100</td>
<td>64.6</td>
</tr>
<tr>
<td>The hotel under high security surveillance in terms of CCTVs,secure fencing and 24hr security officers</td>
<td></td>
<td>4</td>
<td>19</td>
<td>27</td>
<td>39</td>
<td>6</td>
<td>95</td>
<td>3.25</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>4.2</td>
<td>20</td>
<td>28.4</td>
<td>41.1</td>
<td>6.3</td>
<td>100</td>
<td>65.1</td>
</tr>
<tr>
<td>The hotel provides consistent and high quality services to the customers</td>
<td></td>
<td>1</td>
<td>8</td>
<td>8</td>
<td>46</td>
<td>32</td>
<td>95</td>
<td>4.05</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>1.1</td>
<td>8.4</td>
<td>8.4</td>
<td>48.4</td>
<td>33.7</td>
<td>100</td>
<td>81.1</td>
</tr>
<tr>
<td>The hotel has fair pricing on the food, drinks services offered</td>
<td></td>
<td>4</td>
<td>23</td>
<td>24</td>
<td>39</td>
<td>8</td>
<td>95</td>
<td>3.35</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>4.2</td>
<td>24.2</td>
<td>25.3</td>
<td>37.9</td>
<td>8.4</td>
<td>100</td>
<td>66.9</td>
</tr>
<tr>
<td>The hotel employees offer services and product in time without delays</td>
<td></td>
<td>5</td>
<td>17</td>
<td>32</td>
<td>34</td>
<td>7</td>
<td>95</td>
<td>3.22</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>5.3</td>
<td>17.9</td>
<td>33.7</td>
<td>35.8</td>
<td>7.4</td>
<td>100</td>
<td>64.42</td>
</tr>
</tbody>
</table>
From the study above, the results show 60.8% (mean=3.04) of the respondents were of the view that the hotel has spacious rooms, compound and parking area to enhance customer experience and convenience, 64.2% (mean=3.21) of the participants were of the opinion that the hotel has social amenities that ensures customer satisfaction in one place like swimming pool and kids amenities, 64.6% (mean=3.2) of the respondents were of the view that the hotel location is a bit far from Nairobi CBD, 65.1% (mean=3.25) of the respondents were of the opinion that the hotel under high security surveillance in terms of CCTVs, secure fencing and 24hr security officers, 81.1% (mean=4.05) of the participants were of the view that the hotel provides consistent and high quality services to the customers, 66.9% (mean=3.35) of the participants were of the opinion that the hotel has fair pricing on the food, drinks services offered, 64.42% (mean=3.22) of the respondents were of the view that the hotel employees offer services and product in time without delays.

The findings indicate majority of respondents agreed that the hotel provides consistent and high quality services to customers hence increasing customer loyalty and ensures customer satisfaction. The quality services make the 5-star hotels in Nairobi have high number of customers and also improve their marketing strategies hence increasing competitive advantage. These will increase the performance of the hotels.

The finding on the study was concurred by Obonyo, (2013) in their study on customer satisfaction in the Iran hotel industry concluded that, all dimensions of customer image and service quality perception have significant relationships with customer satisfaction. The study showed that there is a relationship between quality of service delivery and customer satisfaction with a p=0.001.

According to Juran (2012), for a hotel to lead in customer retention and loyalty, they have to offer superior quality service as compared to its competitors. Service quality leaders
understand that the little things matter and that if left unattended will turn into larger more complex things that will negatively affect service quality.

4.3.3 Technology and Performance of 5-Star hotel

The study sought to assess the effect of technology on performance of 5-star hotels business in Nairobi.

Key: (SA: Strongly Agree; A: Agree; UD: Undecided; D: Disagree and SD: Strongly Disagree)

Table 6: Technology and Performance of 5-Star hotels business

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hotel has the highest level of technology</td>
<td>Freq</td>
<td>9</td>
<td>19</td>
<td>27</td>
<td>32</td>
<td>8</td>
<td>95</td>
</tr>
<tr>
<td>The hotel has adopted ICT in the most of its applications and activities to enhance quality management.</td>
<td>Freq</td>
<td>8</td>
<td>14</td>
<td>35</td>
<td>34</td>
<td>4</td>
<td>95</td>
</tr>
<tr>
<td>The hotel has implemented employee training on ICT for easy use of the equipments available</td>
<td>Freq</td>
<td>4</td>
<td>24</td>
<td>36</td>
<td>27</td>
<td>4</td>
<td>95</td>
</tr>
<tr>
<td>The hotel has ensured that ICT service in all the rooms and facilities around the hotel. eg WIFI and internet access</td>
<td>Freq</td>
<td>4</td>
<td>30</td>
<td>31</td>
<td>25</td>
<td>5</td>
<td>95</td>
</tr>
<tr>
<td>The hotel has ICT services are free to every customer at any particular time</td>
<td>Freq</td>
<td>5</td>
<td>16</td>
<td>31</td>
<td>39</td>
<td>4</td>
<td>95</td>
</tr>
<tr>
<td>The hotel frequently performs automotive services to the equipments in use for safety of customers</td>
<td>Freq</td>
<td>2</td>
<td>45</td>
<td>48</td>
<td>00</td>
<td>00</td>
<td>95</td>
</tr>
<tr>
<td>The hotel devices can interoperate with customers information technology systems</td>
<td>Freq</td>
<td>7</td>
<td>18</td>
<td>30</td>
<td>33</td>
<td>7</td>
<td>95</td>
</tr>
<tr>
<td>The hotel fully supports information technology to be used by hotel management to ensure efficiency in day to day activities</td>
<td>Freq</td>
<td>8</td>
<td>15</td>
<td>28</td>
<td>39</td>
<td>5</td>
<td>95</td>
</tr>
</tbody>
</table>

From the study above, the results show 62.3% (mean = 3.12) of the respondents were of the view that the hotel has the highest level of technology, 62.5% (mean = 3.13) of the participants were of the opinion that the hotel has adopted ICT in the most of its applications and activities to enhance quality management, 60.6% (mean = 3.03) of the respondents were of the view that the
hotel has implemented employee training on ICT for easy use of the equipments available, 59.3% (mean=2.97) of the respondents were of the opinion that the hotel has ensured that ICT service in all the rooms and facilities around the hotel, eg WIFI and internet access, 64.6% (mean=3.23) of the participants were of the view that the hotel has ICT services are free to every customer at any particular time, 49.7% (mean=2.5) of the participants were of the hotel frequently performs automotive services to the equipments in use for safety of customers, drinks services offered, 63.15% (mean=3.16) of the respondents were of the view that the hotel devices can interoperate with customers information technology systems, 63.79% (mean=3.19) of the respondents were of the opinion that the hotel fully supports information technology to be used by hotel management to ensure efficiency in day to day activities.

From the findings majority of respondents were of the opinion that the hotel has ICT services are free to every customer at any particular time such as installing of WIFI in the guest room and restaurant place hence making the customers can relax. The ICT services enable those customers who are working to continue working in the hotel facility. Some customers use internet services for entertainment and this encourages more customers to visit the hotel. The installation of the ICT services favors the customers and improves their experience at the premises at any particular time.

According to Omware (2012) agreed with the study because wireless LANs have been defined as a significant evolution in hotel sector. However, they have also been seen primarily as a way to increase productivity (Wadongo, 2014) by simplifying check-in and providing increased functionalities to hotel staff, rather than as a service to provide to customers in order to improve their experience. Wi-Fi has been seen as a necessity since guests care most about, as named by 82 percent of respondents to a survey sample. In general, guests do not mind paying for internet access provided it’s reliable and provides reasonable throughput, a perspective that is now obsolete. Recently, free Wi-Fi, commonly considered a means of increasing guest satisfaction and even taken for granted by guests, is
an amenity that will probably become the norm by 2015. Also, (Isaac, 2012) agreed with the study because technology has the greatest impact on the marketing and distribution of travel but leaves relatively untouched the human-intensive areas of guest-host relations and supplier-consumer relationships. Information technologies applied to the tourism system will increase the efficiency and quality of services provided and leads to new combinations of tourism services. All this could not be achieved without changing the manifest human high touch content of travel. It is the systematic use of the system of information technologies by all tourism suppliers, together with its profound impact on the travel industry, which creates the foundation for a new tourism best practice and a total system of wealth creation.

4.3.4 Culture and Performance of 5-Star hotel

The research sought to determine the effect of culture on performance of 5-star hotels business in Nairobi.

Key: (SA: Strongly Agree; A: Agree; UD: Undecided; D: Disagree and SD: Strongly Disagree)

Table 7: Culture and Performance of 5-Star hotel

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hotel has improved communication between staff and clients</td>
<td>Freq</td>
<td>44</td>
<td>00</td>
<td>00</td>
<td>1</td>
<td>50</td>
<td>95</td>
</tr>
<tr>
<td>by adopting diverse methods of communication which improves</td>
<td>%</td>
<td>46.3</td>
<td>00</td>
<td>00</td>
<td>1.1</td>
<td>52.6</td>
<td>100</td>
</tr>
<tr>
<td>the service and products delivery.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hotel has designed its activities and operation to suit</td>
<td>Freq</td>
<td>6</td>
<td>34</td>
<td>16</td>
<td>23</td>
<td>16</td>
<td>95</td>
</tr>
<tr>
<td>customers and employee expectations.</td>
<td>%</td>
<td>6.3</td>
<td>35.8</td>
<td>16.8</td>
<td>24.2</td>
<td>16.8</td>
<td>100</td>
</tr>
<tr>
<td>The cuisines prepared favor most of its customers</td>
<td>Freq</td>
<td>3</td>
<td>30</td>
<td>16</td>
<td>24</td>
<td>22</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.2</td>
<td>31.6</td>
<td>16.8</td>
<td>25.3</td>
<td>23.2</td>
<td>100</td>
</tr>
<tr>
<td>The recruitment policies laid are coherent to the job</td>
<td>Freq</td>
<td>6</td>
<td>38</td>
<td>18</td>
<td>19</td>
<td>14</td>
<td>95</td>
</tr>
<tr>
<td>specifications.</td>
<td>%</td>
<td>6.3</td>
<td>40</td>
<td>18.9</td>
<td>20</td>
<td>14.1</td>
<td>100</td>
</tr>
</tbody>
</table>
Hotel staffs are always evaluated more often in accordance to their performance.

<table>
<thead>
<tr>
<th>Freq</th>
<th>7</th>
<th>35</th>
<th>19</th>
<th>14</th>
<th>20</th>
<th>95</th>
<th>3.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>7.4</td>
<td>36.8</td>
<td>20</td>
<td>14.7</td>
<td>21.1</td>
<td>100</td>
<td>61</td>
</tr>
</tbody>
</table>

The hotel employees respond effectively to any changes made in the CRM

<table>
<thead>
<tr>
<th>Freq</th>
<th>4</th>
<th>34</th>
<th>17</th>
<th>23</th>
<th>17</th>
<th>95</th>
<th>3.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>4.2</td>
<td>35.8</td>
<td>17.9</td>
<td>24.2</td>
<td>17.9</td>
<td>100</td>
<td>63.15</td>
</tr>
</tbody>
</table>

The designed rules and regulations by the management are followed by all hotel staff.

<table>
<thead>
<tr>
<th>Freq</th>
<th>8</th>
<th>24</th>
<th>17</th>
<th>25</th>
<th>22</th>
<th>95</th>
<th>3.34</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>8.4</td>
<td>25.3</td>
<td>17.9</td>
<td>26.3</td>
<td>22.1</td>
<td>100</td>
<td>66.74</td>
</tr>
</tbody>
</table>

The finding above shows that 62.7% (mean=3.14) of the participants were of the opinion that the hotel has improved communication between staff and clients by adopting diverse methods of communication which improves the service and products delivery, 61.89% (mean=3.09) of the respondents were of the view that the hotel has designed its activities and operation to suit customers and employee expectations, 43.6% (mean=2.18) of the respondents were of the opinion that the cuisines prepared by the hotel favors its customers, 61% (mean=3.05) of the participants were of the opinion that the recruitment policies laid are coherent to the job specifications, 61% (mean=3.05) of the participants were of the view that Hotel staffs are always evaluated more often in accordance to their performance, 63.15% (mean=3.16) of the respondents were of the view that the hotel employees responds effectively to any changes made in the CRM, 66.74% (mean=3.34) of the respondents were of the view that the designed rules and regulations by the management are followed by all hotel staff.

The results indicated that majority of the participants agree that the designed rules and regulations by the management are followed by all hotel staff. The set rules are the binding contract between the employee and the employer and they are bound to follow them for the success of the hotel. The rules are set to maximize employee performance.
According to Twati & Gammack, (2006), culture is deeply associated with values and beliefs shared by personnel in an organization. Hotel culture relates the employees to organization’s values, norms, stories, beliefs, principles rules and regulations and incorporates these assumptions into them as activity and behavioral set of standards. The employees are bound by the rules and follow them effectively. Kuei (2012) positioned hotel culture as the core of hotel’s activities which has aggregate impact on its overall effectiveness and the quality of its products and services.

According to Flynn (2013), hotel culture functions as the internal integration and coordination between firms operations and its employees. Internal integration can be described as the societal interaction of new members with the existing ones, creating boundaries of the organization feelings of identity among personals and commitment to the hotel.

4.3.5 Performance of 5-Star hotel

The study sought to investigate the performance of 5-star hotels business in Nairobi.

Key: (SA: Strongly Agree; A: Agree; UD: Undecided; D: Disagree and SD: Strongly Disagree)

**Table 8: Performance of 5-star hotels business**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hotel has experienced a higher revenue due to its success</td>
<td>Freq 21</td>
<td>25</td>
<td>12</td>
<td>30</td>
<td>7</td>
<td>95</td>
<td>2.76</td>
</tr>
<tr>
<td>%</td>
<td>7.4</td>
<td>31.6</td>
<td>12.6</td>
<td>26.6</td>
<td>22.1</td>
<td>100</td>
<td>55.2</td>
</tr>
<tr>
<td>The high sales volume realized is attributed to critical success factors</td>
<td>Freq 37</td>
<td>14</td>
<td>20</td>
<td>17</td>
<td>7</td>
<td>95</td>
<td>2.04</td>
</tr>
<tr>
<td>%</td>
<td>38.9</td>
<td>14.7</td>
<td>21.7</td>
<td>17.9</td>
<td>7.4</td>
<td>100</td>
<td>48</td>
</tr>
<tr>
<td>Event</td>
<td>Freq</td>
<td>32</td>
<td>11</td>
<td>27</td>
<td>20</td>
<td>5</td>
<td>95</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>------</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>---</td>
<td>----</td>
</tr>
<tr>
<td>The market share improvement is as a result of critical success factors</td>
<td>%</td>
<td>33.7</td>
<td>11.6</td>
<td>28.4</td>
<td>21</td>
<td>5.3</td>
<td>100</td>
</tr>
<tr>
<td>The hotel is highly ranked compared to the other five star hotels in Nairobi</td>
<td>%</td>
<td>35.8</td>
<td>13.7</td>
<td>28.4</td>
<td>20</td>
<td>2.1</td>
<td>100</td>
</tr>
<tr>
<td>In recent past the hotel has diversified</td>
<td>%</td>
<td>54.6</td>
<td>41.1</td>
<td>1.1</td>
<td>1.1</td>
<td>2.2</td>
<td>100</td>
</tr>
<tr>
<td>There have been an increasing number of new customers in the hotel within the year.</td>
<td>%</td>
<td>32.6</td>
<td>25.3</td>
<td>18.9</td>
<td>20</td>
<td>3.2</td>
<td>100</td>
</tr>
<tr>
<td>Due to the new business processes from the hotel expansion, more employees are employed.</td>
<td>%</td>
<td>38.9</td>
<td>11.6</td>
<td>27.4</td>
<td>18.9</td>
<td>3.2</td>
<td>100</td>
</tr>
<tr>
<td>A number of new business processes have been established in the hotel</td>
<td>%</td>
<td>31.6</td>
<td>14.7</td>
<td>24.2</td>
<td>7.4</td>
<td>22.1</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table above, the results show that 55.2% of the respondents were of the view that the hotel has experienced a higher revenue due to its success, 48% of the participants were of the view that the high sales volume realized is attributed to critical success factors, 50.5% of the respondents were of the view that the market share improvement is as a result of critical success factors, 47.8% of the respondents were of the view that the hotel is highly ranked compared to the other five star hotels in Nairobi, 54.7% of the respondents were of the view that a number of new business processes have been established in the hotel, 47% of the respondents were of the opinion that there have been an increasing number of new customers in the hotel within the year, 47.2% of the respondents were of the opinion that due to the new business processes from the hotel expansion, more employees are employed and 31.5% of the respondents were of the view that In the recent past the hotel has diversified.
The findings indicate that majority of the respondents agreed that a number of new business processes have been established in the hotel. This is because the hotel has expanded its branches and opened other hotel related business. The hotel has merged with bigger companies to offer diverse services to its customer’s hence increasing performance.

Research findings by Wang (2012) indicated to secure the continual growth of the business and market share, large hotel companies are increasingly entering into strategic alliances and tie-up relationships with other companies such as airline companies and travel companies in the form of short-term opportunistic relationships, medium-term tactical relationships, or long-term strategic relationships. Tourists using airline and travel companies get accommodation in the international hotels which have made alliance with the travel and airline companies hence increasing hotel performance.

4.4 Inferential Statistics

The inferential statistics involves correlation and multiple regression analysis.

4.4.1 Correlation Analysis

Table 9: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Correlations</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Top commitment</td>
<td>Rating</td>
<td>Technology</td>
<td>Culture</td>
</tr>
<tr>
<td>Top management</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.675*</td>
<td>.153</td>
</tr>
<tr>
<td>commitment</td>
<td>Sig. (2-tailed)</td>
<td>.013</td>
<td>.140</td>
<td>.037</td>
</tr>
<tr>
<td>N</td>
<td>95</td>
<td>95</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td>Rating</td>
<td>Pearson Correlation</td>
<td>.675*</td>
<td>1</td>
<td>.918*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.013</td>
<td>.000</td>
<td>.418</td>
</tr>
<tr>
<td>N</td>
<td>95</td>
<td>95</td>
<td>95</td>
<td>95</td>
</tr>
</tbody>
</table>
| Technology           | Pearson Correlation | .918* | .094 | 1 | .065 }

53
The study findings indicate that there is a significant relationship between top commitment and the rating of performance of 5-Stars Hotel (p< 0.05) and top management and culture.

This implies that the involvement of the management affects the rating of the hotel in that the hotel that has supervision by its managements provides quality services that the one that is not supervised the management therefore plays a key role in the hotel rating. The employees also get to work efficiently to reach the set target.

This implies that involvement of management in the culture of hotel where it helps in decision making by involving the employees in order to meet the goals and objectives of the firm. The nature of the relationship is positive to imply that involvement of management makes sure that the employees follow the code of ethics set hence meeting the goals and vision of the hotel.

### 4.4.2 Regression Analysis

#### Table 10: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.324&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.105</td>
<td>.065</td>
<td>.38255</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), Culture, Technology, Rating, Top commitment

#### ANOVA<sup>b</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
</table>

54
From the equation it is therefore clear that the technology affects performance of 5-star hotels business the most up to 27.6% followed by top management which affects performance of 5-star hotels business up to 12.6% followed by rating which affects performance of 5-star hotels business up to 11.6% and finally culture which affects performance of 5-star hotels business up to 4.9%.

4.4.3 Hypothesis Testing

H01: There is no significant relationship between top management commitment and performance of 5-star hotels business.

The study findings indicated there was a significant relationship between top commitment and performance of 5-star hotels business (p=0.000).
Benson et al., (2012) pointed the vitality role of top management commitment and leadership in TQM implementation. The commitment of top management is generally a preliminary point for implementing and practicing TQM to enhancing performance of an organization. It is impracticable to adopt QM and improve performance without strong top management support ( Flynn 2013, ). Top management carries the primary responsibility for commitment to quality and support efforts necessary to successful TQM implementation.

Hence, the most critical factor contributes to successful TQM program is top management (Garvin, 2014).

\[ \text{H0}_2: \text{There is no significant relationship between rating and performance of 5-star hotels business.} \]

The study findings indicated there was a significant relationship between rating and performance of 5-star hotels business (p=0.264).

The study therefore rejected the null hypothesis.

Hotel ratings according to Huang et al (2014) benefited consumers by an easy comparison between hotels in various destinations which compete in a healthy fashion. The customer, nevertheless, did not perceive the grades of any hotel rating system as a strongly important indicator in the selection of a hotel. They identified the hotel rating as only a moderately important tool in selecting a hotel. Callan also revealed statistics proving two-thirds of customers in three to five star (or other symbols) hotels used a rating system more often than those in one and two star levels. He also commented that whatever the classification and grading schemes were, they were beneficial to both the customers and the hotel industry for assistance in improving facilities and service quality at a given price.

In the same breath, a study by Wang (2012) found out that five-star hotels in Nigeria were rated the highest on all the attributes including the customer satisfaction. Five-star hotels target at the high income consumers. These consumers do not concern much about price; they
pursue a joy of high quality of facilities and service and the convenience to reach the attractions and downtown area when they stay at hotels. Analysis found that the budgets for five-star hotels were higher than those for hotels with lower stars. Customer satisfaction with services was also higher for five star hotels.

**H0** There is no significant relationship between technology and performance of 5-star hotels business

The study findings indicated there was a significant relationship between technology and performance of 5-star hotels business (p=0.003).

The study therefore rejected the null hypothesis.

Technological advances focus on the innovation of products, procedures, or services and how these developments can affect the hospitality industry (Thiagararan & Zairi, 2012). For example, online reservations have grown exponentially over the years. The ability for industry executives to recognize the implications of this technological advance and develop strategies to take advantage of it is a critical component of strategy development. One of the premier online reservation portals, OpenTable.com, boasted that in 2006 dining seats filled in restaurants through the use of their online reservation system exceeded one million (Kaziliunas, 2014). This was a 65% increase from the previous year. Industry leaders, not acknowledging this technological advance and implementing it in some capacity would find their companies lagging in providing the appropriate customer service that their clientele would demand. Delay in the implementation of technological advances of this magnitude detracts from developing sustainability and competitive advantage.

According to Nyaoga (2014), companies that effectively use technology will have the biggest effect on the customer satisfaction and therefore increasing hotel performance. The authors discussed three hotels which were awarded “best practices” for their technological innovations. These programs were specifically designed to improve service. These hotels
were, The Balsams Grand Resort Hotel, Fairmont Copley Plaza, and the Ritz-Carlton Chicago.

At the Balsams Grand Resort Hotel in New Hampshire, technology was used to help develop a guest history log. The Balsams Grand used the guest history logs to capture customized information on the guests that had already made reservations at the hotel. The program was one of the first attempts to use an expert system model to gauge the needs and wants of the guests. Information was generated in regards to hotel inquiries, rooms, room types and numbers, special requests, times of year visited, any special requests, service personnel requested, etc. (Obonyo, 2013). All of this information was stored into an individual’s personal file. The expert system then can anticipate almost any guest request. The success of this program has generated approximately 85% repeat business for the hotel. Additionally, new business has been generated from previous guest recommendations (Krumbholz & Maiden, 2010).

H04 There is no significant relationship between culture and performance of 5-star hotels business.

The study findings indicated there was a significant relationship between culture and performance of 5-star hotels business (p=0.636).

Culture involves beliefs, values and behavior which exist at various levels and manifest in a wide range of characteristics of organizational life (Krumbholz & Maiden 2010). Included in the wide range of organizational life where culture manifests itself is performance. Therefore, organizational culture is important to organizational success (Twati & Gammack, 2006). Success can be regarded as a performance construct with differing areas as components. Toke et al (2012) assert that OC seems to be a critical factor in the success of any organization with particular emphasis on creativity and innovation. This indicates that organizational culture affects the way creative and innovative solutions are encouraged. In their study of the
influence of OC on the quality of services provided in higher education in Greece, Trivellas & Dargenidou (2009) find that different dimensions of higher education service quality are linked to specific culture models. Knowledge is considered the one and only distinct resource crucial to sustenance of organizational competitive advantage. Aljalahma et al., (2012) find that organizational culture types influence tacit knowledge sharing behavior positively or negatively depending on the culture type. The negative influence is an indication that the contribution of culture to organization could not only be positive. For example, a strong OC is a potential stumbling block to organizational change. Job satisfaction and commitment are recognised as variables that can majorly determine organization performance. However, both variables (job satisfaction and commitment) are influenced by OC.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

5.1.1 Background information of the Respondents

From the results it shows majority of the respondents were male. This indicates that most of the males were competent in this area of work. The variation in the number of male and female was near even hence there was no bias in the findings of the study in terms of gender. From the findings majority of respondents were above 51 years implying employees working in the organization are adults who are very experienced in this field therefore they had adequate knowledge on hotel management. The results report that majority of employees working in 5 star hotels in Nairobi had reached university level implying the organization had a stronger working force with high academic qualifications. This indicates that majority of the employees have worked at the ages of 1-3 years hence they have adequate experience in their area of work and this yields great performance.

5.1.2 Top commitment and Performance of 5-Star hotels business

From the findings, majority of participants were of the opinion that the hotel takes into consideration the employee ideology in decision making by the management where they involve them in decision making of the catering establishments both in the hotel and restaurants hence motivating them. Also the top commitment helps in conducting the employees in the hotel, it increases employee performance in the hotels and it enhance solve employees problems.
5.1.3 Rating and Performance of 5-Star hotels business

The findings indicate majority of respondents agreed that the hotel has social amenities that ensures customers satisfaction in one place like swimming pool and kids amenities where it attracts customers hence increasing customer loyalty. These attractive amenities make the 5-star hotels in Nairobi to have high number of customers and also improve their marketing strategies hence increasing competitive advantage. These will increase the performance of the hotels.

5.1.4 Technology and Performance of 5-Star hotels business

From the findings majority of respondents were of the opinion that the hotel has ICT services are free to every customer at any particular time such as installing of WIFI in the guest room and restaurant place hence making the customers can relax. The hotel devices can interoperate with customers information communication technology in hotel sector acts as the main source of any industries development and also adds up to the reduction of man power and time, it is also used as a source to reduce problems. ICT has increased the hotel industry since it increases the operational efficiency in the hotels, it increases the work productivity among the staff of hotel, it increase service delivery to its customers, increase profit margins and financial returns and reduces cost.

5.1.5 Culture and Performance of 5-Star hotel

The results indicated that majority of the participants agree that the cuisines prepared favor most of its customers since different cuisines such as African, Chinese, Indian, French, Italian contribute to the catering establishments hence satisfying customers’ needs. In addition it increases profitability of the catering establishments where more customers come in the hotels and also it enhance more advance of cooking different cuisines and knowing different cooking techniques in the catering.
5.2 Conclusions

The study concludes that there is significant relationship between top commitment and performance of 5-star hotel business since the hotel takes into consideration the employee ideology in decision making by the management where they involve them in decision making of the catering establishments both in the hotel and restaurants hence motivating them. Also the top commitment helps in conducting the employees in the hotel, it increases employee performance in the hotels and it enhance solve employees problems.

In addition the study concludes that there is relationship between rating and performance of 5-star hotel business where hotel has social amenities that ensures customers satisfaction in one place like swimming pool and kids amenities where it attracts customers hence increasing customer loyalty. These attractive amenities make the 5-star hotels in Nairobi to have high number of customers and also improve their marketing strategies hence increasing competitive advantage. These will increase the performance of the hotels.

Moreover the study concludes that there is a significant relationship technology and performance of 5-star hotel where hotel has ICT services are free to every customer at any particular time such as installing of WIFI in the guest room and restaurant place hence making the customers can relax. The hotel devices can interoperate with customers information communication technology in hotel sector acts as the main source of any industries development and also adds up to the reduction of man power and time, it is also used as a source to reduce problems. ICT has increased the hotel industry since it increases the operational efficiency in the hotels, it increases the work productivity among the staff of hotel, it increase service delivery to its customers, increase profit margins and financial returns and reduces cost.
5.3 Recommendations

Based on the findings, the following were the recommendations proposed:

i. The management needs to involve themselves in the operations of the hotel in order to increase efficiency and effectiveness of the catering and accommodation of establishment.

ii. The owners of the hotels need to provide different cuisines and also improve of the services they offer.

iii. The management needs to provide proper ICT systems in order to increase the effectiveness and efficiency of operations in the hotel.

iv. The human resource management needs to provide proper ethics on employees in order to improve the culture of the hotel.

5.4 Area of Further Studies

The study makes the following recommendations for further research:

i. Factors affecting the performance of catering and accommodation establishments in Nairobi County.

ii. Contribution of African traditional cuisines to customer appeal in catering establishments.
REFERENCES


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

Dear Respondents,

RE: REQUEST FOR ASSISTANCE WITH A RESEARCH PROPOSAL

I am a Master of Business Administration student at Kenyatta University pursuing MBA, Strategic Management and wish to conduct a research study on Total Quality Management on Organizational Performance of 5-star Hotels in Nairobi. The aim of the study is to find out whether Total Quality Management critical success factors effects hotel performance. I kindly inform you that your hotel was the one selected for the study. The information and data being sought is purely for academic purposes pertaining to research and utmost confidentiality will be observed. I am kindly requesting for your assistance in the course of the study.

Thank you in advance,

Yours faithfully,

Mary Nduta Munyange
APPENDIX II: QUESTIONNAIRE

Please give answers in the spaces provided and tick (✓) in the box that matches your responses to the questions where applicable.

PART A: Demographic and Respondents profile.

1. Gender (Tick as applicable)
   - Male ( )
   - Female ( )

2. What is your age bracket (Tick as applicable)
   - a) Under 30 years ( )
   - b) 31-40 years ( )
   - c) 41-50 years ( )
   - d) Over 50 years ( )

3. What is your highest level of education qualification? (Tick as applicable)
   - a) Post graduate ( )
   - b) Undergraduate ( )
   - c) Tertiary college ( )
   - d) Secondary ( )

4. Length of continuous service with the county assembly? (Tick as applicable)
   - a) Less than one year ( )
   - b) 1-3 years ( )
   - c) Over 3 years ( )

PART B: TQM CRITICAL SUCCESS FACTORS AND THEIR EFFECTS ON PERFORMANCE OF 5-STAR HOTELS BUSINESS IN NAIROBI.
5. To what extent do you agree with the influence of top management commitment on performance of 5-star hotels business in Nairobi.

**KEY SA: STRONGLY AGREE, A: AGREE, U: UNDECIDED; D: DISAGREE; SD: STRONGLY DISAGREE**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management engages all the employees in coming up with aspects of critical success factor for TQM implementation.</td>
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<tr>
<td>The management supports and implements quality plans in all areas of the hotel.</td>
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<tr>
<td>Provision of adequate resources is an important indication of management commitment to critical success factor of TQM practices.</td>
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</table>

6. To what extend do you agree with the following statements regarding the effect of rating on performance of 5-star hotels business in Nairobi.

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is gap determination process that the hotel has adopted in the recent past from leading hotels.</td>
<td></td>
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<tr>
<td>The hotel has adopted future targeting of TQM practices from success ones.</td>
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<td>The hotel has had a competitive edge over others due to goal adjustment</td>
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</tbody>
</table>

7. To what extend do you agree with the following statements regarding the effect of technology on performance of 5-star hotels business in Nairobi.
The hotel through its management has enhanced the level of innovativeness in the recent past.

The hotel has adopted ICT in the most of its applications and activities to enhance quality management.

The number of online purchase in the hotel has increased due to technology adoption.

8. To what extend do you agree with the following statements regarding the effect of culture on performance of 5-star hotels business in Nairobi.

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
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</thead>
<tbody>
<tr>
<td>The hotel has improved communication between staff and clients by adopting diverse methods of communication.</td>
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<td>The hotel has designed its activities and operation to suit customers and employee expectations.</td>
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<tr>
<td>The level of religious considerations in what the hotel offers is an important aspect in critical success factors of TQM.</td>
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</tbody>
</table>

9. To what extent do you agree with the following regarding performance of 5-star hotels business in Nairobi?

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
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</thead>
<tbody>
<tr>
<td>There is high revenue in the hotels due to critical success factors</td>
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<td>The high sales volume realized is attributed to critical</td>
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<tr>
<td>success factors</td>
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<tr>
<td>The market share improvement is as a result of</td>
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<tr>
<td>critical success factors</td>
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</tbody>
</table>
APPENDIX III: INTERVIEW SCHEDULE

What is the influence of top management commitment on performance of 5-star hotels business in Nairobi?

What is the effect of rating on performance of 5-star hotels business in Nairobi?

What is the effect of technology on performance of 5-star hotels business in Nairobi?

What is the effect of culture on performance of 5-star hotels business in Nairobi?

Thank you for your responses
### APPENDIX IV: TIME PLAN

<table>
<thead>
<tr>
<th>Activity</th>
<th>March</th>
<th>April</th>
<th>April</th>
<th>May</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-up project</td>
<td></td>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Project presentation</td>
<td>☐</td>
<td>☐</td>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Data collection</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Data analysis</td>
<td></td>
<td></td>
<td>☐</td>
<td>☐</td>
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<td>☐</td>
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<tr>
<td>Report writing</td>
<td></td>
<td>☐</td>
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<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Project report submission</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
APPENDIX V: PROPOSED BUDGET

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ITEMS/PARTICIPANTS</th>
<th>COST (KSHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal development</td>
<td>Library search and Travelling expenditure by the researcher, typing, photocopying and binding of the proposals.</td>
<td>3000</td>
</tr>
<tr>
<td>Designing and developing</td>
<td>Typing and Photocopying of research instruments</td>
<td>2000</td>
</tr>
<tr>
<td>Research instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research permit</td>
<td>Transport and accommodation of the researcher</td>
<td>5000</td>
</tr>
<tr>
<td>Research induction and training</td>
<td>Transport of the researcher and research assistants</td>
<td>3500</td>
</tr>
<tr>
<td>Pilot Survey</td>
<td>Transport for researcher and research assistants</td>
<td>3000</td>
</tr>
<tr>
<td>Main field data collection</td>
<td>Travel and subsistence for 30 days</td>
<td>24000</td>
</tr>
<tr>
<td></td>
<td>Researcher-15000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research assistants-9000</td>
<td></td>
</tr>
<tr>
<td>Data processing, analysis and</td>
<td>Researcher’s subsistence, transport, typing, Photocopying and binding</td>
<td>9000</td>
</tr>
<tr>
<td>thesis writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>Flash disk, Stationery</td>
<td>3000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>2000</td>
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<tr>
<td>Total</td>
<td></td>
<td><strong>56,500</strong></td>
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</tbody>
</table>